

Message Text

LIMITED OFFICIAL USE

PAGE 01 SANA 02740 211017Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 /018 W
-----013861 211021Z /20
R 190500Z JUL 77
FM AMEMBASSY SANA
TO SECSTATE WASHDC 1829
USDOC WASHDC
INFO AMEMBASSY JIDDA

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USDOC FOR CAGNE

E.O. 11652: N/A
TAGS: EAIR, YE
SUBJECT: MERGER OF SAUDI ARI WITH YEMEN AIR

1. BEGIN UNCLASSIFIED. IT SHOULD BE NOTED FOR THE RECORD THAT AN EXCHANGE OF DOCUMENTS TOOK PLACE IN SANA BETWEEN REPRESENTATIVES OF THE SAUDI ARABIAN GOVERNMENT AND THE YARG ON JUNE 28 WHICH MERGED THE NATIONAL AIRLINES OF THE TWO COUNTRIES. PRESS REPORTS SAY THE NEW COMPANY WILL BE KNOWN AS YEMEN AIRWAYS COMPANY AND WILL BE CAPITALIZED AT 130 MILLION YEMENI RIALS. THIS SUM IS APPARENTLY A LOAN FROM SAUDIA, POSSIBLY TO BE USED TO PAY FOR THE BOEING 737 WHICH YEMEN AIR RECENTLY PRUCHASED. IT DOES NOT APPEAR THAT SAUDIA WILL LOSE ITS IDENTITY OR BE AFFECTED IN ANY WAY BY THIS AGREEMENT, BUT OFFICIAL STATEMENTS SO FAR HAVE BEEN UNLIGHTENING AS TO WHAT EFFECTS THE NEW AGREEMENT LOZARE INTENDED TO BRING. END UNCLASSIFIED.

2. COMMENT: BEGIN LIMITED OFFICIAL USE. LOCAL BUSINESS-MEN ARE MYSTIFIED BY THIS AGREEMENT . YEMEN AIR IS A PROFITABLE OPERATION, AND THE BANKS WERE MORE THAN WILLING TO LEND THE MONEY FOR THE 737 IF THAT WAS
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THE REAL CONSIDERATION.FURTHERMORE, SAUDIA DOES NOT APPEAR FROM THIS VANTAGE POINT TO HAVE ANY EXPERTISE OR MANAGEMENT EXPERIENCE THAT YEMEN AIR REALLY NEEDS. RUMOR HAS IT THAT SAUDIA WILL LIMIT ITS ACTIVITY TO SENDING A SINGLE FINANCIAL REPRESENTATIVE TO BE BASED IN SANA. IF SUAID IS ABLE TO OFFER MORE ROUTES TO THE YEMENIS, THAT IS SOMETHING ELSE ENTIRELY. BUT THAT, AS

YET, HAS NOT BEEN INDICATED. POLITICAL CONSIDERATIONS
MAY WELL HAVE BEEN MORE IMPORTANT THAN ECONOMIC ONES,
WITH FOREIGN MINISTER AL-ASNAJ USING THIS DEVICE TO FURTHER
HIS AIM OF STRENGTHENING SAUDI-YEMENI RELATIONS.

3. AN ADVERSE POSSIBILITY FOR A U.S FIRM IS THAT SAUDIA
MIGHT WISH TO EXTEND ITS MANAGEMENT CONTRACT WITH TWA
TO YEMEN, THEREBY ELIMINATING THE NEED FOR WORLD AIRWAYS
TO CONTINUE ITS ASSISTANCE TO YEMEN AIR. THIS, TOO, IS
ONLY A RUMOR. IF JIDDA CAN SHED ANYLIGHT ON THESE DEVELOP-
MENTS, IT WOULD BE APPRECIATED. END LIMITED OFFICIAL USE.
SCOTES

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, AVIATION AGREEMENTS, AIRLINES, JOINT VENTURES
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SANA02740
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770288-0074, D770267-1304
Format: TEL
From: SANA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770742/aaaabkjl.tel
Line Count: 74
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 84609a67-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
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Retention: 0
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Review Content Flags:
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Review Exemptions: n/a
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SAS ID: 1817631
Secure: OPEN
Status: NATIVE
Subject: MERGER OF SAUDI ARI WITH YEMEN AIR
TAGS: EAIR, YE, SA, SAUDI AIR, YEMEN AIR
To: STATE COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/84609a67-c288-dd11-92da-001cc4696bcc
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